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CORPORATE COMMUNICATIONS

## MEDIA CLIPPING

**PUBLICATION:** Sydney Morning Herald  
**JOURNALIST:** Scott Rochfort  
**DATE:** 15 August 2005  
**PAGE:** 21

### Scaffolder prefers chances in Johannesburg Waco decides not to list on ASX

Scott Rochfort

South African scaffolding and portable building concern Waco International has given up on plans to seek a \$1 billion plus listing on the ASX, deciding instead to relist on the Johannesburg Stock Exchange.

Waco chief executive Royden Vice's attempts over recent months to excite Australian investors about his company's potential now appear to have been in vain after the company said on Friday it planned to list on the JSE later this year.

Waco, however, rejected any

suggestion its decision not to list in Australia - where it generates about half of its revenues through its Ausco and Kwikform units - was due to a lack of investor interest.

Instead, Mr Vice blamed Waco's change of mind on the relative outperformance of the Johannesburg bourse, which has risen 26 per cent so far this year compared to the ASX, which is up 10 per cent.

In a presentation in Sydney last November, Waco forecast it would report a gross profit for the 12 months to June 30 of 703 million rand (\$143 million).

However, Mr Vice declined to say whether the company had met this target. "The company had a good year", was all he would say.

The company's main shareholders include the South African private equity group Ethos, Capital International, Citigroup and South African insurer Old Mutual.

In November Waco also pointed to the relative outperformance of peer stocks such as Coates Hire and Fleetwood. It is not clear if Fleetwood's poor share price performance since then may have affected sentiment towards Waco.

Mr Vice said other factors

weighing against a potential ASX listing included the costs of relocation and "restructuring of the company to turn it from a South Africa company to an Australian company".

He said this was compounded by hefty tax costs and foreign exchange issues.

When asked why it had taken so long for Waco to make an announcement on its planned listing, Mr Vice blamed the indecision on whether to list in Australia or South Africa. He added the company also decided to hold off because of its "quite good growth trend" this year.

Waco purchased its Ausco business from James Hardie in 2000 for \$140 million.

The company purchased Kwikform scaffolding arm (which was listed on the ASX until 1998) from GKN Australia for \$45 million in 1992.

Waco was originally listed on the Johannesburg Stock Exchange in 1952 and once had interests spanning from clothing, footwear, and tyres to coal.

In an announcement on Friday, Waco said it had appointed UBS as its bookrunner and Standard Bank as co-lead manager.